

House File 229 - Introduced

HOUSE FILE 229

BY CHAMBERS

A BILL FOR

1 An Act excluding from the computation of net income military
2 retirement benefits of certain retired veterans and
3 including retroactive applicability provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.7, Code 2011, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 41. Subtract, to the extent included, the
4 amount of military retirement benefits received by a retired
5 veteran. For purposes of this subsection, "retired veteran"
6 means a person who has performed active duty military service
7 in the United States armed forces, armed forces military
8 reserve, or national guard and who performed such service for a
9 period of twenty years or more.

10 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies
11 retroactively to January 1, 2011, for tax years beginning on
12 or after that date.

13 EXPLANATION

14 This bill provides an exclusion from the computation of net
15 income (also known as an above-the-line deduction) for the
16 military retirement benefits received by retired veterans.
17 To qualify for the deduction, a taxpayer must have performed
18 active duty military service in the United States armed forces,
19 armed forces military reserve, or national guard and have
20 performed such service for a period of twenty years or more.

21 The bill applies retroactively to January 1, 2011, for tax
22 years beginning on or after that date.